



**THE CHAMBER**  
FARGO MOORHEAD WEST FARGO

**FMWF Chamber Opposition to Current PFML Proposal**

May 12, 2023

Chair Richardson, Vice Chair Mann, and members of the Minnesota Conference Committee,

For the record, my name is Shannon Full and I have the pleasure of serving as President and CEO of the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. On behalf of our over 1,900 member businesses, I respectfully offer testimony in opposition to the current Paid Family and Medical Leave proposal (HF/SF 2).

While the legislature has graciously amended this bill to accommodate some of the requests of the business community, we continue to oppose this legislation given the detrimental challenges the business community will still face, if enacted. I understand the priority which surrounds this bill but we urge this committee to bring forth amendments that are pragmatic for the business community. As the conference committee reviews the language of the bill, we ask for greater consideration of the following:

**Enhance Private Plan Exemptions:** As currently written, a private plan must confer all of the same rights, protections, and benefits to employees. While we recognize the desire for a private plan to meet or exceed the Family and Medical Leave benefits of the proposed state plan, we must also recognize the diverse and customizable benefits that companies are offering to best meet their employee's needs. Benefits such as maternal or paternal leave at 100 percent wage reimbursement, childcare reimbursement, paid short and long-term disability leave, or competitive paid time off policies. This bill currently does not take into consideration these benefits when granting an exemption to an employer. Therefore, employers may be forced to reduce benefits and compensation packages to afford this new state benefit. **We ask this committee to include language that equitably exempts comparable and expansive benefit packages that meet the unique needs of the employee.**

**Clarify Premium Split:** In the current version employers must pay 50 percent of the annual premiums paid and employers may elect to pay more than 50 percent of the annual premium. While I recognize the desire for each employer to make this premium determination, it is important to underscore the difficult circumstance that employers will now face. Businesses will be responsible for levying this state tax on their employees, not the state. Some businesses may be able to financially afford this tax burden while others may not, creating a contribution inequity between Minnesota employers. **We ask this committee to clearly define that 50 percent of the annual premiums will be covered by the employer and the remaining 50 percent will be covered by the employee, while recognizing that labor contracts may be exempt.**

**Increase and Simplify Small Business Grants:** Currently, the Small Business Assistance Grants language in the bill is rather complex and does not go far enough to cover costs incurred by small

businesses. I truly appreciate the Legislature's willingness to include financial relief for the state's small businesses, but I must emphasize the need for an increased and simplified program. In most small businesses and given the current workforce shortages, 1 or 2 employees on leave force the business to reduce hours or in some cases close temporarily. The financial burden incurred by businesses during this time of leave goes beyond the cost to hire temporary workers or increase wages for current employees. The livelihood of the business is at stake. **We ask this committee drastically increase the maximum amount the Department of Employment and Economic Development may grant to small businesses to ensure small businesses receive a pragmatic amount of financial assistance while any of their employees are on leave.**

On behalf of our members and business throughout Minnesota, I would like to thank this committee for considering these much-needed adjustments and for your dedication to the State of Minnesota.

Sincerely,

Shannon Full  
President/ CEO  
FMWF Chamber of Commerce  
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